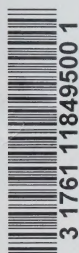


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**WORKPLACE HEALTH AND SAFETY AGENCY**

**PRESENTATION TO THE**

**ROYAL COMMISSION ON WORKERS' COMPENSATION**

*May 18, 1995*



**Workplace Health and  
Safety Agency**

**Agence pour la santé et  
la sécurité au travail**





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presented here are supporting in the final phase. The system will adopt a pattern of action


## **1. INTRODUCTION**

The Agency welcomes the opportunity to participate in the Royal Commission's public consultation process. Our brief primarily applies to that section of the Commission's mandate which concerns occupational health and safety and the compensation system.

This brief concentrates on the fundamental importance of prevention to workers' compensation and calls for a zero tolerance position on workplace fatalities, injury and illness. It urges that prevention be recognized as the major priority for the occupational health and safety/workers' compensation (OHS/WC) system, and stresses that the status of the Workplace Health and Safety Agency as an independent organization is essential to sustaining a preventive focus. It also emphasizes the need for greater cohesiveness and co-ordination among the organizations in the system.

## **2. THE NEED FOR A FOCUS ON PREVENTION**

Prevention of workplace injury and illness is too often treated as peripheral to workers' compensation. We urge the Royal Commission not to allow compensation and rehabilitation issues to overshadow a concern for prevention. Prevention must be acknowledged as the major priority of the organizations in the OHS/WC system, in recognition of the fact that the best way to contain the costs of injury and illness is to



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prevent them from happening in the first place. The system must adopt a position of zero tolerance toward occupational fatalities, injuries, illnesses, and diseases.

In keeping with this principle, a focus on prevention must be paramount in the mission of the Workers' Compensation Board. The WCB should fulfil this mission through support for the programs delivered by the Agency system, and by applying assessments, rebates and surcharges in ways that maximize incentives for employers to invest in preventive measures.

### **3. THE COSTS OF INJURY AND ILLNESS AND THE BENEFITS OF WORKPLACE HEALTH AND SAFETY**

Workplace injury and illness represent a major human and economic cost to our society. In addition to the direct costs of compensation and treatment, there are significant indirect or hidden costs. These include retraining, lost productivity, material, equipment and property damage, efforts to accommodate the return of injured workers, and legal expenses. More subjective indirect costs include suffering of the injured worker and the worker's family and friends, loss of employee morale, loss of the worker's productive capacity and contribution to the community, social welfare costs, and damage to the employer's reputation.

Just as we underestimate the true costs of injury and disease, we often underestimate the payoff from occupational health and safety (OHS) improvements. Because few



employers specifically track OHS-related costs, it is often difficult to precisely assess the "return on investment" in prevention initiatives. Nevertheless, where OHS costs and benefits have been documented, experience indicates impressive paybacks in financial terms alone.

In addition to tangible savings in workers' compensation and production costs, OHS improvements at the firm level can create spin-off benefits by saving public expenditures on enforcement, furthering a participatory organizational culture, and improving overall health outcomes by raising awareness of health and safety and empowering individuals to exert greater control over their health and well-being. The return on investment in prevention initiatives is manifest at the level of the whole economy, as well as the individual workplace.

By helping to achieve these benefits, the Agency and the organizations it oversees make an important contribution to the economic viability, as well as the health, of Ontario society. Despite these benefits, the proportion of WCB assessments devoted to prevention programs has declined substantially - from 3.4% in 1980 to 2.5% in 1993.

#### **4. THE AGENCY AND ITS MANDATE**

The Agency was created by amendments to the *Occupational Health and Safety Act* in 1990 to carry out a mandate for prevention. Its legislated functions include developing standards and overseeing delivery of education and training, certifying joint health and



safety committee members, establishing standards for first aid training, accrediting employers who operate successful preventive programs and promoting occupational health and safety. The Agency is responsible in law for funding and overseeing the health and safety delivery organizations (HSDOs): the Industrial Accident Prevention Association, the Construction Safety Association of Ontario, the Workers Health and Safety Centre, the Ontario Natural Resources Safety Association, the Electrical Utilities Safety Association, the Municipal Health and Safety Program, and the Transportation Safety Association of Ontario. The Agency also funds and oversees a network of occupational health and safety medical clinics for workers.

The Agency is a Schedule III agency of the Ontario government. It operates at arm's length from the government and reports to the Legislature through the Minister of Labour. It is funded through the WCB accident fund and its budget is approved annually by the Minister of Labour.

Governed by a bipartite Board made up of equal representation from labour and management, the Agency reflects the perspectives of both workplace parties in all its policies and programs. The Agency is part of a trend toward bipartism and cooperative approaches to the resolution of OHS issues, also reflected through the implementation of the Internal Responsibility System (IRS) at the workplace level. In Ontario the IRS was first described in the report of Ontario's *Royal Commission on the Health and Safety of Workers in Mines*<sup>1</sup> (the Ham Commission) published in 1976. A key premise of this



report was that duties and responsibilities for OHS exist at every level of an organization and that labour and management must work together to ensure the appropriate discharge of those duties and responsibilities in order to minimize workplace risk and hazard. Much of the Agency's mandate involves delivering programs which help to enhance the internal responsibility system.

## 5. THE HISTORICAL BASIS FOR THE AGENCY

Key reasons for amending the *Occupational Health and Safety Act* to establish the Agency included:

- a. A decade of experience under the *Act* which demonstrated that joint health and safety committees (JHSCs) could serve to improve health and safety performance, but only when committee members were well-trained and had the capacity and resources to act effectively.
- b. A growing belief that the vital function of occupational health and safety education was not receiving the attention it warranted within the existing OHS/WC system.
- c. A recognition that, as there would never be sufficient resources to ensure healthful and safe workplaces through enforcement alone, one of the most cost-effective ways to achieve further improvements was to increase the



responsibilities of the JHSCs and provide them with the knowledge and skills to effectively carry out their responsibilities.

Recognition of the need for a bipartite, independent system of organizations devoted to prevention was based on a number of reports which found a lack of cohesion in prevention programs, a tendency for prevention programs to become "lost" within a larger organization whose primary function was compensation, and the absence of an equal role for labour in prevention organizations. In addition to the Ham Commission, organizations recommending increased co-ordination, emphasis on prevention, and labour participation included the Royal Commission into Industrial Safety<sup>2</sup> (the McAndrew Commission, 1961), the Joint Federal-Provincial Inquiry Commission into Safety in Mines and Mining Plants in Ontario (the Burkett Commission, 1981),<sup>3</sup> the Advisory Council on Occupational Health and Occupational Safety (1982),<sup>4</sup> and a previous Royal Commission into Workers' Compensation, the Roach Commission<sup>5</sup> (1950).

The establishment of an independent, bipartite Agency specializing in prevention can in large part be seen as a response to these recommendations. The Agency's creation served to elevate the importance of prevention in the Ontario OHS/WC system. Its status as an independent body at arm's length from other major OHS/WC organizations is essential to maintaining its capacity for innovative and dynamic approaches to prevention.



## **6. THE VALUE OF EDUCATION AND TRAINING IN PREVENTION**

Health and safety education and training programs comprise the major element of the Agency's mandate. In addition to its legislated role in certification training and first aid, the Agency has general responsibility for overseeing the HSDOs that deliver training. It contributes to education and training programs offered by other institutions, including universities, and is actively promoting development of OHS education in the school system. The Agency system also offers a variety of support services to assist workers and employers in making their workplaces healthier and safer. These include consulting services, information services, and provision of resource material.

Training has been shown to be a critical element of better health and safety programs. For example, a study conducted by the U.S. National Institute for Occupational Safety and Health<sup>6</sup> found that firms with lower injury rates were more likely to have formalized training programs, provide continuing safety training to all employees, and augment supervisors' instructions with other techniques such as group discussions and lectures by safety specialists. The Michigan Disability Prevention Study found that safety training showed a significant positive association with fewer lost work days per worker.<sup>7</sup>

It has also been shown that training is essential to fulfilling the role of joint health and safety committees which are legally required at most Ontario workplaces with 20 or more regular employees. For example, a 1993 study by Tuohy and Simard<sup>8</sup> found that the training and resources available to JHSCs were associated with lower injury frequencies,



and a 1994 survey of JHSCs by SPR Associates<sup>9</sup> provides attitudinal evidence that certification training is associated with more successful OHS programs.

Certification training is legally required for one worker and one management member of each JHSC. It is intended to ensure that certified members have the knowledge to carry out their responsibilities under the *Occupational Health and Safety Act*, including the right to conduct monthly inspections, the right to have dangerous circumstances investigated, and the right to jointly order the employer to stop dangerous work. The Core Certification Training program offered by the health and safety delivery organizations in the Agency system was developed on a bipartite basis by representatives of both management and labour.

To date, close to 30,000 JHSC members throughout the province have completed the Core Certification Training program. Its success is attested to by participants' evaluations of the program. A preliminary study evaluating Core Certification Training released in November, 1994 noted that most trainees felt that the program had significantly improved their level of knowledge and concern for OHS. Both managers and workers said that Core Certification Training was preparing them well for their duties and responsibilities as certified members. Among both management and worker trainees, there was a sizable increase in the number who reported a positive assessment of the training program after completing it, compared with their assessment before taking it. In addition, trainees said they had high expectations that the training would improve joint health and safety



committee performance, the workplace inspections process, and compliance with legislation. Approximately one out of three trainees reported that, as a result of the training, OHS changes had already occurred in their workplaces. These observations were consistent for large and small workplaces and for all industries.<sup>10</sup>

In addition to certification training, programs delivered by the Agency system include the Musculo-skeletal Injuries Prevention Program (MIPP), designed to help the workplace parties recognize and reduce musculo-skeletal injuries, which account for the majority of workers' compensation claims. To date, over 3,500 participants have taken this program. At the same time, the HSDOs continue to deliver programs specific to their own sectors. In addition to Core Certification Training, Agency system organizations delivered training programs to more than 93,000 participants in 1994. In a strategic review conducted for the Agency, SPR Associates estimated that total annual training hours delivered by the HSDOs, including certification training, rose from 700,000 in 1991-92 to approximately 1,200,000 in 1993-94.<sup>11</sup>

## **7. RESEARCH AND PROFESSIONAL TRAINING**

Under the *Occupational Health and Safety Act*, the Agency has the power to "provide funding for occupational health and safety research." In 1991 and 1992, the Agency administered a grants fund transferred from the Ministry of Labour. Projects and programs supported by this fund included professional training in OHS, special education



projects, and a variety of primary research studies. Due to budgetary constraints, the transfer of grant funds was terminated in 1993. Only a small number of ongoing grant programs continue to be supported from Agency funds.

The Agency's responsibility to fund occupational health and safety research and professional training is an essential part of its mandate and a critical element in an overall preventive strategy. The absence of adequate support for OHS research and professional training threatens to erode Ontario's position as a leader in OHS innovation and expertise. The Agency believes that sufficient support for research and professional training must be provided.

## **8. THE ROLE OF THE WCB IN PREVENTION**

In addition to funding the Agency system, the WCB's major role in prevention involves the application of assessments, rebates, and surcharges in ways that provide incentives for employers to invest in preventive measures. We believe that there are opportunities to enhance the effectiveness of these instruments through use of innovative policies.

One such instrument is the accreditation program being developed by the Agency. Under the *Occupational Health and Safety Act* the Agency is empowered to develop and implement an accreditation system for assessing the effectiveness of employers' OHS programs and advising the Workers' Compensation Board about employers' accreditation status. The recent amendments to the *Workers' Compensation Act* (Bill 165) allow the



WCB to consider accreditation status in varying experience-rated employers' surcharges and rebates. Other possible applications are as a marketing device or precondition for contracting services to organizations that want to ensure they are dealing with contractors who operate safely. As a result, accreditation could provide an additional valuable incentive for improving OHS at the organizational level.

The Royal Commission should also consider other ways to use assessments, rebates and surcharges to encourage prevention. For example, surcharges on individual employers could be transmitted directly to the Agency system to fund interventions that would help those employers improve health and safety performance. Employers could be given credits for training or other prevention activities which could offset WCB assessments. The Agency would be pleased to work with the WCB to explore new opportunities to encourage prevention through financial incentives.

In addition to more innovative use of assessment policies, the WCB should ensure that costs of the prevention programs administered by the Agency are equitably shared. The WCB's current approach to deriving funds for prevention programs results in a disparity in contributions among different employer groups, most notably between Schedule 1 and Schedule 2 employers.



## **9. THE ONTARIO SYSTEM OF OHS/WC ORGANIZATIONS**

Ontario's approach to OHS/WC is expressed through a system of organizations with distinct but complementary responsibilities. This approach differs from that found in some other jurisdictions where similar responsibilities are combined within single or fewer organizations. There are good reasons for the separation of functions into independent, but related organizations. For example, as described in Section 5 above, separation of the Agency system of organizations from the WCB was critical to enhancement of prevention programs. At the same time, however, a system of distinct organizations poses special challenges to maintaining focus and cohesion.

Some have argued that system cohesion and co-ordination can best be achieved through organizational integration and have called for integrating the Agency's responsibilities into a larger organization, such as the WCB. The Agency believes however, that its continued independence is critical to its success. Incorporating the Agency into the WCB would detract from the emphasis on prevention that can only be sustained by an independent organization dedicated to prevention programs. Combining workers' compensation administration and OHS education activities would create a larger and more unwieldy WCB bureaucracy. Since the sections responsible for prevention programs would undoubtedly be smaller than those departments serving compensation and rehabilitation functions, there is a danger that important preventive activities would be assigned a relatively low priority within the larger organization. It is important to remember that the



Agency was created in part because prevention activities were not getting the attention they warranted. To re-combine prevention and compensation functions would turn back the clock on the recent gains made in preventive programs.

One large bureaucracy is neither a guarantee nor a prerequisite of good co-ordination, consistency, and clear delineation of responsibilities. It can be as easy to achieve good co-ordination among separate organizations as among different departments in one large organization.

Organizations within the system, including the Agency, the Ministry of Labour (MOL), the Institute for Work and Health, the Occupational Disease Panel, and the WCB are currently working well together in a number of areas. For example, they have been sharing information on research activities and collaborating on some research projects. The Agency is working with the Institute of Work and Health on developing curriculum materials on occupational health for physician education. The Agency, the Occupational Disease Panel and York University are co-operating on a study of the health and safety concerns of working women. Using WCB data, and in co-operation with WCB staff, the Agency is analyzing risk factors for musculoskeletal injuries. As well, the MOL, the WCB and the Agency are working together in a number of policy development areas such as accreditation and first aid training.

Despite the success of such co-operative efforts among OHS/WC organizations, system cohesion and co-ordination can be improved. For example, a formal co-ordinating



mechanism might be advisable among the WCB, the MOL, the Institute for Work and Health, the Occupational Disease Panel and the Agency.

One approach to co-ordination that may prove fruitful is to develop targeted, co-operative action plans to address specific high priority health and safety problems. For example, a particular type of injury, workplace, or sector could be the focus of an action plan cooperatively developed and implemented by the Ministry inspectorate and the Agency system organizations.

## **10. RECOMMENDATIONS**

We make the following recommendations for ensuring that the system fulfils its responsibilities for prevention of workplace injury and illness:

1. Prevention must be the major priority of the OHS/WC system and recognized as the key to cost savings in workers' compensation. The organizations in the OHS/WC system must adopt a position of zero tolerance toward occupational fatalities, injury, and illness.
2. The independent status of the Agency must be maintained to enable it to fulfil its mandate for prevention.
3. Bipartite structures and approaches must be affirmed as the most effective ways of ensuring that the needs of both workplace parties are met.



4. The WCB should apply assessments, rebates and surcharges in ways that maximize incentives for employers to invest in prevention. Costs of prevention programs funded through the WCB should be equitably shared by all employers under provincial jurisdiction.
5. Sufficient resources must be provided to support research and professional training in occupational health and safety.
6. System coherence and focus should be improved through new co-ordination mechanisms.



## ENDNOTES

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2. *Report of the Royal Commission on Industrial Safety*. Toronto: Queen's Printer 1961, p.19-21.
3. *Towards Safe Production: Report of the Joint Federal-Provincial Inquiry Commission into Safety in Mines and Mining Plants in Ontario*. Toronto: Queen's Printer, 1981, p.108.
4. *Advisory Council on Occupational Health and Occupational Safety, Fourth Annual Report*. Toronto: Queen's Printer, 1982, p.61-67.
5. *Report of the Royal Commission on the Workmen's Compensation Act*. Toronto: Queen's Printer, 1950, p.91-92. In 1950, Mr. Justice Roach indicated the need for the OHS system to incorporate the active participation of labour, through mechanisms such as labour participation on safety associations' Boards of Directors.
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9. SPR Associates Incorporated, *Highlights of the 1994 Survey of Occupational Health and Safety and Joint Health and Safety Committees: A Benchmark Study of the Internal Responsibility System*. Prepared for the Workplace Health and Safety Agency. Toronto: Workplace Health and Safety Agency, November 1994.
10. SPR Associates Incorporated, *Highlights of an Initial Evaluation of Core Certification Training: A Survey of Management and Worker Trainees*, November, 1994, p.61-62.
11. SPR Associates Incorporated, *Strategic Review, Occupational Health and Safety and the Workplace Health and Safety Agency, 1991-1994*, February, 1995, p.87.

